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RUEHCHI/AMCONSUL CHIANG MAI PRIORITY 6040
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C O N F I D E N T I A L SECTION 01 OF 03 BANGKOK 000023

SIPDIS

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SUBJECT: SENATOR WEBB REVIEWS U.S.-THAI RELATIONS WITH FM
KASIT

REF: 08 BANGKOK 3757

BANGKOK 00000023 001.2 OF 003

Classified By: DCM James F. Entwistle, reason: 1.4 (b and d).

Summary and Comment

11. (C) Summary: U.S. Senator Jim Webb underscored the importance of the U.S.-Thai bilateral relationship in a series of wide ranging meetings that included Foreign Minister Kasit Piromya; former Ambassador to the U.S. and now Deputy Principal Private Secretary to His Majesty the King, Krit Garnjana-Goonchorn; and a group of political observers. The Senator discussed the recent political turmoil in Thailand, the effect of the global economic crisis on Thailand and the role of the monarchy. Senator Webb was the first high-level visiting U.S. official to meet the new government, which was sworn in on December 22.

12. (C) Comment: Senator Webb's arrival at the start of the new year, coinciding with the first few days of the new Royal Thai Government, was a good opportunity to emphasize the importance of the bilateral relationship. End Summary and Comment.

The King and "the China Card"

13. (C) Deputy Principal Private Secretary to the King Krit Garnjana-Goonchorn began his meeting with Senator Webb by saying that the recent takeover of Government House and Suvarnabhumi and Don Muang airports by the People's Alliance for Democracy (PAD) had not only tarnished the image of Thailand, but had hurt King Bhumibol personally. By claiming to act on his behalf, the PAD had dragged the King's name and image into the political arena. Krit said that while the King remains a strong source of inspiration to the people of Thailand, the taboo subject of succession is never far from people's minds. However, concern over succession is unfounded, he said, and the institution of the monarchy is strong enough to survive change.

14. (C) Krit said Thailand's next big challenge is leadership of ASEAN and said that he has full confidence in Foreign

Minister Kasit to handle it. He lamented that the region continues to be at the "tail end" of U.S. priorities and hoped that the financial crisis would not move Thailand further down the list of U.S. interests. He apologized for "having to play the China card" and opined that as U.S. focus on Southeast Asia has diminished over the last decade, China has increasingly become a more important partner for Thailand. Senator Webb agreed that the United States does not pay enough attention to the region and said he will carry back to Washington the message that the U.S. should be more engaged here.

15. (C) Senator Webb added that it is important for the world to see a cohesive government in Thailand, and Krit replied that the next six to nine months would make or break the new government. He was confident that the government's coalition partners could win a majority in an election and dismissed the idea of former PM Thaksin Shinawatra returning to power. Thaksin's power is waning, Krit said.

The South, the Economy and the Monarchy

16. (C) Senator Webb had a roundtable discussion with three Thai commentators and social critics: Sunai Pasuk, Thai-Burma Consultant for Human Rights Watch; Supavud Saicheua, an economist formerly with the Foreign Ministry; and Kavi Chongkittavorn, a writer and journalist. Sunai said that the insurgency in the South of Thailand had no formal connections to organizations like Al Qaeda and Jemaah Islamiyah. He estimated the number of insurgents at roughly 4-5,000 out of a population of 2 million. Their goals are to create an independent state, something not all southern Muslims want.

BANGKOK 00000023 002.2 OF 003

The insurgents don't want to pick a fight with the United States.

17. (C) The new Thai government will try to assert civilian accountability over problems in the South, rather than allowing the military to maintain "ownership" of the problem, Sunai said. He noted that there was precedent for such a government structure in the 1980s under the Prem Tinsulanonda administration. Give Muslims a choice to join in the administration, Sunai said, rather than leaving them the only other option of siding with the radicals.

18. (C) The military has had to rebuild its intelligence gathering capability after Thaksin had given the police the lead in the South, Sunai continued, but is now in a position to better able understand the political and military command operations, recruiting methods and command structure of the insurgents. He decried the lack of resources available to the military: the Army does not have the language expertise and/or the equipment to monitor communications among the insurgents. He suggested that the U.S. could help by providing technical support as well as training in the areas of transparency and accountability. Lastly, he criticized NGOs for not providing a complete picture of the atrocities in the South by ignoring the carnage committed by the insurgents and instead focusing solely on extra-judicial killings and kidnappings allegedly done by the government.

19. (C) When the conversation turned to economic matters, Supavud compared the current crisis to the Asian financial crisis in 1997. Ten years ago, it was a balance sheet crisis that hit mostly the rich, he asserted, and the vast agricultural sector was able to absorb the newly unemployed. This time, however, commodity prices have dropped and even though the sales of commodities make up less than 10 percent of the GDP, their production provides 40 percent of Thai employment. Additionally, the global recession is hitting Thailand's most vulnerable industries, automobiles and electronics, and hurting skilled laborers. But because the banking sector remains largely unaffected, the wealthy will

be able to weather the coming storm.

¶10. (C) There is consensus, of sorts, on the subject of royal succession, which Kavi asserted is Thailand's biggest problem. Perhaps referring to the amount of criticism leveled at the monarchy on the internet, Kavi said that discontent is now an open secret, with divisions falling along generational lines. The monarchy needs to reform and political and economic problems will only bring more criticism to the Palace, he said.

¶11. (C) Supavud believed that the "hidden powers" are more apparent than ever before. The People's Alliance for Democracy (PAD) is a mob with connections, he said, and Abhisit's government was installed by "angels." At the moment, Thais are being asked to choose between a corrupt but democratic government or a less democratic government with a "higher purpose." Thais have to look beyond that, he said, and see other choices.

¶12. (C) Senator Webb concluded the discussion by saying that he hopes more Thais would study in the U.S. The U.S. needs to engage our partners on economic policy and other issues and get beyond security concerns exclusively.

Lunch with the FM: Refugees, Burma, and Vietnam

¶13. (C) Senator Webb told Foreign Minister (FM) Kasit that the U.S. hopes Thailand will enter a period of political stability. He said that Washington often fails to look beyond China and consequently ignores important partners and allies in Asia, such as Thailand. He added that more visits to Washington by Thai officials would benefit Thailand and offered to help arrange official meetings. FM Kasit responded by saying he plans to visit Washington after he completes his ASEAN trips and the new U.S. government is on

BANGKOK 00000023 003.2 OF 003

its feet.

¶14. (C) Regarding the global economic crisis, FM Kasit said he is most concerned with how the crisis will hurt exports and increase unemployment. He said that the government has "failed on enforcement" of IPR and would establish two new committees: one on IPR enforcement/infringement and a second on compulsory licenses, and promised to "talk to pharma in friendly manner."

¶15. (C) FM Kasit thanked Senator Webb for U.S. resettlement of 14,000 Karen from the Burma border last year and said that he solicited the views of Burmese exiles before taking office. He believes that the RTG and the U.S. should work with the National League for Democracy (NLD) on development projects and humanitarian assistance inside Burma. Humanitarian assistance should be channeled through exiles rather than the Burmese government, he said. He admitted that the RTG needs to do more to help displaced Burmese both in and out of camps in Thailand and improve the quality of their lives.

¶16. (C) As he said in an earlier meeting with Ambassador John (reftel), FM Kasit said that Thai Burma policy will not be driven by vested interests. Thailand doesn't want to be on receiving end of "the ills of Burma," i.e. disease, drugs, etc. The new government will establish its own policy on Burma and will also work with the EU, Japan and Australia. Senator Webb likewise expressed hope for a new Burma policy from the new administration in Washington. He said that sanctions only push Burma towards North Korea and China.

¶17. (C) Senator Webb discussed his recent trip to Vietnam. FM Kasit affirmed that relations between Thailand and Vietnam are very good. In contrast, he described Thailand's relationship with Laos as "cold and formal." FM Kasit then

asked Senator Webb to talk to Cambodians and urge them to sit down with Thailand and peacefully work out border issues. FM Kasit said that he talked to the Cambodian FM last Sunday and made a pitch for routine technical talks on border delimitation. MFA Permsec Virasakdi Futrakul, also sitting in on the meeting, noted that Thailand and Vietnam easily concluded a maritime border agreement and saw no reason the same couldn't be done with Cambodians if Phnom Penh is willing. The Senator said he would meet soon with Secretary of State-designate Clinton and would share his insights from the trip with her.

¶18. (U) Senator Webb did not have an opportunity to clear this cable.
JOHN